

Michigan Department of Community Health Bureau of Health Systems

Long Term Care Facility Innovative Design Supplemental Program

Application for Preliminary Designation of Projects

General Information Sheet

7-01-2006

Project Eligibility

This program is designed to provide information on the potential benefit of new LTC facility designs, as outlined in the CON Addendum for New Design Pilot Programs.

Your project is eligible for designation under the Long Term Care Facility Innovative Design Supplemental funding if all of the following exist:

- ☐ 1. Construction has not started or, if construction has started, construction has not been completed before July 31, 2006. See Appendix B for definitions of “started” and “completed” as used in this document.
- ☐ 2. All beds involved in the project will be dually certified for Medicare and Medicaid.
- ☐ 3. It is for construction of a new LTC inpatient facility or renovation and/or complete or partial replacement (i.e., new construction) of an existing LTC inpatient facility.

- ☐ 4. It will be processed in compliance with certificate of need requirements as evidenced by a request for a letter of intent for the project or a CON program determination that the project is not subject to CON requirements. [Note: It is anticipated that most, if not all, eligible projects will require a certificate of need because they will involve a capital expenditure in excess of the CON threshold or because they involve LTC bed changes covered by the CON Review Standards for Nursing Home and Hospital Long-Term Care Unit Beds, including the Addendum For New Design Model Pilot Program.]
- ☐ 5. It will participate in an MDCH single point of entry program if one is available in its service area.
- ☐ 6. It will comply with all applicable licensing, certification, and CON requirements when completed.
- ☐ 7. Construction will begin on or before April 1, 2008. Construction start dates after April 1, 2008 may be accepted by MDCH if the delay is for good cause and approval of a later construction date is deemed by MDCH to be consistent with the purposes of this program. If there are more than 75 applicants, priority will be given to projects with construction start dates before April 1, 2008.
- ☐ 8. The new or renovated areas will comply with all requirements of the CON Addendum For New Design Model Pilot Program, whether or not a CON is required, (The CON requirements are found at: [http://www.michigan.gov/documents/CON-217\(E\)_NH-HLTC_Standards_110479_7.pdf](http://www.michigan.gov/documents/CON-217(E)_NH-HLTC_Standards_110479_7.pdf))

The CON standards include the following project requirements:

- ☐ a. It includes at least 80% single occupancy resident rooms in the new or renovated areas with an adjoining bathroom serving no more than 2 residents in both the central support inpatient facility and any supported small resident housing units. If the pilot project is for replacement/renovation of an existing facility and utilizes only a portion of its currently licensed beds, the remaining beds at the existing facility shall not exceed double occupancy.
- ☐ b. The new or renovated areas cannot exceed 100 beds.
- ☐ c. If it is not limited to group resident housing of 10 beds or less, it will comply with the construction standards for nursing homes in the document entitled "Minimum Design Standards For Health Care Facilities in Michigan" dated March 1998 and incorporated by reference in section 20145(6) of the Public Health Code, being section 333.20145(6) of the Michigan Compiled Laws.
- ☐ d. If it is limited to small resident housing units of 10 beds or less that are supported by a central support inpatient facility, the construction

standards shall be those applicable to hospice residences providing an inpatient level of care, except that:

- (i) At least 100% of all resident sleeping rooms shall meet barrier free requirements;
 - (ii) "Electronic nurse calling systems shall be required in all facilities; the system shall meet the requirements of Section 8.32.G of the "Minimum Design Standards for Healthcare Facilities in Michigan" and designed to reduce "environmental noise."
 - (iii) Handrails shall be required on both sides of patient corridors;
 - (iv) Ceiling heights shall be a minimum of 7 feet 10 inches; and
 - (v) There shall be an emergency generator for all critical or life-support equipment, including fire alarm systems, night lights, corridor and exit lights, heating, ventilation and air conditioning.
- ☐ e. It will comply with applicable life safety code requirements and will be fully sprinkled and air conditioned unless an alternative to air conditioning is approved by MDCH as appropriate to the climate of the location of the facility.
- ☐ f. The facility has not been cited by the Department for one or more Substandard Quality of Care (SQOC) citations, as defined in federal regulations, in the past 12 months.
- ☐ g. The facility's parent or any subsidiary has taken actions acceptable to the Department to correct, improve or remedy any condition or concern that resulted in an SQOC citation issued over the past 12-month period in any facility under it's parent or any subsidiary.
- ☐ h. The project includes demonstration of current or future commitment to an approved culture change process by meeting the requirements of Appendix A.
- ☐ i. The project will be evaluated as specified in Appendix A.

I. Medicaid Funding Stipulations

1. Projects in compliance with these criteria upon completion shall be eligible for supplemental Medicaid funding beginning upon occupancy of the new facility or renovation.
2. Supplemental payment from Medicaid is dependent upon:
 - a. Successful promulgation of Medicaid policy.
 - b. CMS approval of a Medicaid State Plan Amendment allowing the increased reimbursement.
 - c. Sufficient appropriation to the Medicaid budget in each applicable year.
 - d. The facility must not owe MDCH any fines, fees or taxes (e.g. provider tax, civil money penalty fine funds).
 - e. The facility must continue the new model design and culture change throughout the period of receipt of the supplemental Medicaid payment.
 - f. If there is any change of ownership of the facility, the new owner must continue the new model design and culture change throughout the period of receipt of the supplemental Medicaid payment.
 - g. The increased reimbursement is available only on the Medicaid certified beds used by Medicaid beneficiaries (Medicaid bed days) in the new project, which must be a distinct part unit as defined in federal regulations.
 - h. The facility must complete the evaluation as required by this project.
 - i. If the Medicaid reimbursement methodology is changed during the period of this initiative, the Department will make every effort to incorporate the increased reimbursement into the new methodology.
3. The increased reimbursement will be an allowable increase to the Capital Asset Value limit for participating facilities based on a methodology determined by the Department.
4. Regardless of initial designation, projects that are not in compliance with their application information or are not in compliance with these criteria upon completion will not be eligible for the Long Term Care Innovative Facility Design Supplemental.

II. Other Criteria and Conditions

1. Proposals must be submitted on a form approved by MDCH.
2. The total number of projects will be capped at 75 statewide.
3. Priority will be given to facilities that serve higher numbers of Medicaid eligible patients.
4. Priority will be given to proposals replacing older facilities in higher need of physical repair.

5. Projects will be encouraged to participate in an MDCH approved study of the use of electronic resident care charting systems to document regulatory compliance and improve the quality and consistency of care.
6. If more than 75 applications are received, priority will be given to projects whose construction has not begun before July 30, 2006.
7. The decision of MDCH regarding eligibility of projects for this pilot is final and not subject to administrative or judicial appeal.

III. Application Date and Format

1. Applications must be on an official application form, which can be obtained from the Bureau of Health Systems.
2. All applications must be submitted by **MAIL** and **POSTMARKED** no later than November 1, 2006.

Michigan Department of Community Health
Bureau of Health Systems
Facility Innovative Design Supplemental
1808 Saginaw St.
Lansing, MI 48915

3. Questions regarding the application form can be addressed to Wendy Ehnis at (517) 241-4115 or at waehnis@michigan.gov or Deborah Ayers at (517) 241-2656 or at dayers@michigan.gov.

IV. Important Dates

November 1, 2006	FIDS applications for the supplemental must be submitted.
November 1, 2006	Letter of intent must be submitted to CON program.
February 1, 2007	FIDS committee notify applicants of eligibility for the Supplemental.
September 1, 2007	FIDS CON application must be submitted.
October 1, 2007	Schematic plans submitted to Health Facilities Engineering Section (HFES).
October 1, 2007	My Innerview data collection must have begun.
February 15, 2008	Final construction documents submitted to HFES.
April 1, 2008	Construction must begin unless extended by MDCH.

Payment Date	The earliest date that supplemental payments may begin is when the project is completed and Medicaid residents are admitted, but no sooner than October 1, 2007.
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V. Amendments to Designated Projects

If your facility decides to make a revision to a designated project: 1) you must complete a new application for the revisions; 2) provide the Bureau of Health Systems with a cover letter clarifying how the revisions impact the originally approved project; 3) compare what was approved and what is proposed; and 4) submit the proposed revision for approval by November 1, 2007. Any requests to modify a project should be sent to the Michigan Department of Community Health, Bureau of Health Systems, Innovative Facility Design Supplemental, 1808 West Saginaw, and Lansing, MI 48915.

VI. Appendices

Appendix A -- Culture Change Project Requirements, Evaluation and Culture Change Contact Information

Appendix B -- Construction

**Culture Change Project Requirements, Evaluation and
Culture Change Contact Information**

I. Culture Change

1. As a condition of project designation, all applicants will be required to provide proof of a commitment to one or more of the following approved culture change processes:
 - a. Eden Alternative
Contact: Carol Ende
512-847-6061
www.Edenalt.com
 - b. Live Oak Regeneration Model
Contact: Barry Barkin
(510) 749-8815
E-mail: Info@LiveOakInstitute.Org
 - c. CMS Person-Centered Planning Model
MPRO
248-465-7300
www.mpro.org
 - d. LEAP (Learning, Empowerment, Action and Performance)
Mather Lifeways
847-492-6817
leap@matherlifeways.com
 - e. Green House/NCBDC
Contact: Marilyn Ellis
202-336-7761
mellis@ncbdc.org
www.ncbdc.org/ta_hs_GreenHouse.aspx
 - f. Core Expression
Contact: Henry Boutros
248-496-6619
hbconnects@yahoo.com
 - g. Other culture change processes approved by MSA and OSA

2. Applicants will be required to provide documents of corporate commitment (through allocation of funds, support of their board or decision-making body, plans to train a significant number of staff, etc.) in one or more of the approved culture change methodologies. Applicants will be required to provide letters of agreement, contracts, and documents attesting to the culture change process, which may include documents for Eden Registry status or official involvement in Green House. Applicants must provide a schedule for the proposed cultural change process that includes the date the change will be operational.
3. Applicants accepted for this project will be required to provide annual verification to the Office of Services to the Aging (OSA) for the first three years after completion of the project and upon OSA request thereafter. The verification shall document that they are actively involved in an approved culture change process. Verification may be through copies of letters of agreement, contracts, and/or other documents attesting to continued involvement, being member in good standing, Eden registry status and official status in Green House, or other documentation acceptable to OSA. Out-come data provided by InnerView will be analyzed to monitor the presence and evolution of culture change.

II. Evaluation

1. The project must be evaluated under an agreement with My InnerView Inc. (the evaluation agent approved for this purpose by MDCH and the Office of Services to the Aging). The evaluation will include but is not limited to the design impact on following areas: (a) quality of care and quality indicators, (b) client and/or family satisfaction, (c) utilization of drugs, (d) staff recruitment and retention, (e) annual survey reports including complaints, and (f) the impact on capital and operating costs. The evaluation may be expanded to other areas as needed to determine the impact of the new design on delivery of care and quality of life. InnerView may be contacted at (715) 848-2713 or neil@mtinnerview.com.
2. MDCH must be provided a copy of the contract between the facility and My InnerView.
3. My Innerview data collection must begin:
 - a. By October 1, 2007, or
 - b. At the time that operations begin in a new pilot facility that is not a replacement facility.

Appendix B

Construction Definitions

For purposes of this document:

1. "Single occupancy room" means, in the case of a resident room, a space within a building for one resident which is enclosed by walls to the ceiling or deck above. The room shall be accessed through a door leading to a corridor, or day room. The room shall have windows to the outside. The room shall have access to a toilet room without entering a corridor or other public space. A single occupancy room shall provide space for one resident.
2. "Construction has started" means:
 - a. For new construction, the excavation and pouring of concrete for foundations;
 - b. For renovation, the completion of installation of a dust tight, one hour rated partition between the occupied areas of the facility and the areas to be renovated, and initiation of demolition activity.
3. "Construction has been completed" means that all of the following have occurred:
 - a. The work at the facility has been completed by the contractor;
 - b. The Health Facilities Engineering Section (HFES) has performed an opening survey ; and
 - c. HFES has recommended approval for occupancy of the space to the licensing officer.